

106TH CONGRESS
2D SESSION

H. R. 4651

To amend the Social Security Act to provide additional safeguards for beneficiaries with representative payees under the old-age, survivors, and disability insurance program or the supplemental security income program.

IN THE HOUSE OF REPRESENTATIVES

JUNE 13, 2000

Mr. WISE introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Social Security Act to provide additional safeguards for beneficiaries with representative payees under the old-age, survivors, and disability insurance program or the supplemental security income program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. AUTHORITY TO REISSUE BENEFITS MISUSED**

4 **BY ORGANIZATIONAL REPRESENTATIVE**
5 **PAYEES.**

6 (a) OASDI AMENDMENT.—Section 205(j)(5) of the
7 Social Security Act (42 U.S.C. 405(j)(5)) is amended by

1 inserting after the first sentence the following new sen-
2 tence: “In any case in which a representative payee—

3 “(i) that is not an individual (regardless of
4 whether it is a ‘qualified organization’ within the
5 meaning of paragraph (4)(B)); or

6 “(ii) is an individual who, for any month during
7 a period when misuse occurs, served 20 or more
8 beneficiaries,

9 misuses all or part of an individual’s benefit paid to such
10 representative payee, the Commissioner of Social Security
11 shall certify for payment to the beneficiary or the bene-
12 ficiary’s alternative representative payee an amount equal
13 to the amount of such benefit so misused. The provisions
14 of this paragraph are subject to the limitations of para-
15 graph (6)(B).”.

16 (b) SSI AMENDMENT.—Section 1631(a)(2)(E) of
17 such Act (42 U.S.C. 1383(a)(2)(E)) is amended by insert-
18 ing after the first sentence the following new sentence: “In
19 any case in which a representative payee—

20 “(i) that is not an individual (regardless of
21 whether it is a ‘qualified organization’ within the
22 meaning of subparagraph (D)(ii)); or

23 “(ii) is an individual who, for any month during
24 a period when misuse occurs, served 20 or more
25 beneficiaries,

1 misuses all or part of an individual's benefit paid to such
2 representative payee, the Commissioner of Social Security
3 shall make payment to the beneficiary or the beneficiary's
4 alternative representative payee of an amount equal to the
5 amount of such benefit so misused. The provisions of this
6 subparagraph are subject to the limitations of subpara-
7 graph (F)(ii).”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to any case of benefit misuse by
10 a representative payee with respect to which the Commis-
11 sioner makes the determination of misuse after the date
12 of the enactment of the Omnibus Budget Reconciliation
13 Act of 1990 (Public Law 101–501).

14 **SEC. 2. BONDING AND LICENSING REQUIREMENTS APPLI-**
15 **CABLE TO NONGOVERNMENTAL ORGANIZA-**
16 **TIONAL REPRESENTATIVE PAYEES.**

17 (a) OASDI AMENDMENT.—Section 205(j)(4)(B) of
18 the Social Security Act (42 U.S.C. 405(j)(4)(B)) is
19 amended by striking “is bonded or licensed in each State
20 in which it serves as a representative payee” and inserting
21 “provides a bond that meets the requirements specified by
22 the Commissioner of Social Security, and is licensed in
23 each State in which it serves as a representative payee
24 (if licensing is available in such State)”.

1 (b) SSI AMENDMENT.—Section 1631(a)(2)(D)(ii)(I)
 2 of such Act (42 U.S.C. 1383(a)(2)(D)(ii)(I)) is amended
 3 to read as follows:

4 “(I) provides a bond that meets the require-
 5 ments specified by the Commissioner of Social Secu-
 6 rity, and is licensed in each State in which it serves
 7 as a representative payee (if licensing is available in
 8 such State); and”.

9 (c) EFFECTIVE DATE.—The amendments made by
 10 this section shall take effect on the first day of the thir-
 11 teenth month beginning after the date of the enactment
 12 of this Act.

13 **SEC. 3. FEE FORFEITURE IN CASE OF BENEFIT MISUSE BY**
 14 **REPRESENTATIVE PAYEES.**

15 (a) OASDI AMENDMENT.—Section 205(j)(4)(A)(i) of
 16 the Social Security Act (42 U.S.C. 405(j)(4)(A)(i)) is
 17 amended—

18 (1) in the first sentence, by striking “A” and
 19 inserting “Except as provided in the next sentence,
 20 a”; and

21 (2) by inserting before the second sentence the
 22 following new sentence: “A qualified organization
 23 may not collect a fee from an individual for any
 24 month with respect to which the Commissioner of
 25 Social Security or a court of competent jurisdiction

1 has determined that the organization misused all or
2 part of the individual's benefit, and any amount so
3 collected by the qualified organization for such
4 month shall be treated as a misused part of the indi-
5 vidual's benefit for purposes of paragraphs (5) and
6 (6).”.

7 (b) SSI AMENDMENT.—Section 1631(a)(2)(D)(i) of
8 such Act (42 U.S.C. 1383(a)(2)(D)(i)) is amended—

9 (1) in the first sentence, by striking “A” and
10 inserting “Except as provided in the next sentence,
11 a”; and

12 (2) by inserting before the second sentence the
13 following new sentence: “A qualified organization
14 may not collect a fee from an individual for any
15 month with respect to which the Commissioner of
16 Social Security or a court of competent jurisdiction
17 has determined that the organization misused all or
18 part of the individual's benefit, and any amount so
19 collected by the qualified organization for such
20 month shall be treated as a misused part of the indi-
21 vidual's benefit for purposes of subparagraphs (E)
22 and (F).”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to any month involving benefit mis-
25 use by a representative payee in any case with respect to

1 which the Commissioner makes the determination of mis-
2 use after December 31, 1999.

3 **SEC. 4. LIABILITY OF REPRESENTATIVE PAYEES FOR MIS-**
4 **USED BENEFITS.**

5 (a) OASDI AMENDMENT.—Section 205(j) of the So-
6 cial Security Act (42 U.S.C. 405(j)) is amended by redes-
7 ignating paragraphs (6) and (7) as paragraphs (7) and
8 (8), respectively, and inserting after paragraph (5) the fol-
9 lowing new paragraph:

10 “(6)(A) If the Commissioner of Social Security or a
11 court of competent jurisdiction determines that a rep-
12 resentative payee that is not a State or local government
13 agency has misused all or part of an individual’s benefit
14 that was paid to such representative payee under this sub-
15 section, the representative payee shall be liable for the
16 amount misused, and such amount (to the extent not re-
17 paid by the representative payee) shall be treated as an
18 overpayment of benefits under this title to the representa-
19 tive payee for all purposes of this Act and related laws
20 pertaining to the recovery of such overpayments. Subject
21 to subparagraph (B), upon recovering all or any part of
22 such amount, the Commissioner shall certify an amount
23 equal to the recovered amount for payment to such indi-
24 vidual or the individual’s alternative representative payee.

1 “(B) The total of the amount certified to such indi-
2 vidual or the individual’s alternative representative payee
3 under subparagraph (A) and the amount certified under
4 paragraph (5) may not exceed the total benefit amount
5 misused by the representative payee with respect to such
6 individual.”.

7 (b) SSI AMENDMENT.—Section 1631(a)(2) of such
8 Act (42 U.S.C. 1383(a)(2)) is amended by redesignating
9 subparagraphs (F), (G), and (H) as subparagraphs (G),
10 (H), and (I), respectively, and inserting after subpara-
11 graph (E) the following new subparagraph:

12 “(F)(i) If the Commissioner of Social Security or a
13 court of competent jurisdiction determines that a rep-
14 resentative payee that is not a State or local government
15 agency has misused all or part of an individual’s benefit
16 that was paid to such representative payee under this
17 paragraph, the representative payee shall be liable for the
18 amount misused, and such amount (to the extent not re-
19 paid by the representative payee) shall be treated as an
20 overpayment of benefits under this title to the representa-
21 tive payee for all purposes of this Act and related laws
22 pertaining to the recovery of such overpayments. Subject
23 to clause (ii), upon recovering all or any part of such
24 amount, the Commissioner shall make payment of an

1 amount equal to the recovered amount to such individual
2 or the individual's alternative representative payee.

3 “(ii) The total of the amount paid to such individual
4 or the individual's alternative representative payee under
5 clause (i) and the amount paid under subparagraph (E)
6 may not exceed the total benefit amount misused by the
7 representative payee with respect to such individual.”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to benefit misuse by a representa-
10 tive payee in any case with respect to which the Commis-
11 sioner makes the determination of misuse after December
12 31, 1999.

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